

SIKKIM

GOVERNMENT



GAZETTE

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok

Saturday, 16th December, 2000

No. 437

GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK

No. 21/LD/2000.

Dated: 16/12/2000.

NOTIFICATION

The following Act of the Sikkim Legislative Assembly having received the assent of the Governor on 13th day of December, 2000 is hereby published for general information:-

THE SIKKIM CEILING ON GOVERNMENT GUARANTEES ACT, 2000
(ACT NO. 21 OF 2000)
AN ACT

to provide ceiling on Government Guarantees and other matters connected therewith.

Be it enacted by the Legislature of Sikkim in the Fifty-first Year of the Republic of India as follows:-

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| Short title and commencement. | 1. (1) This Act may be called the Sikkim Ceiling on Government Guarantees Act, 2000.
(2) It shall come into force at once. |
| Definitions. | 2. In this Act, unless the context otherwise requires:-
(a) 'Default risk' means the probability of default by the borrower on whose behalf the Government Guarantee is given, depending on the amount borrowed, the type of industry and the economic situations.
(b) "Government" means the State Government of Sikkim.
(c) "Government Guarantee" includes the guarantee given by the State Government on behalf of Departmental Undertakings, Public Sector Undertakings, Local Authorities, Statutory Boards and Corporations and Co-operative Institutions. |
| Ceiling on Government Guarantees. | 3. The total outstanding Government Guarantees as on the first day of April of any year shall not exceed thrice the State's tax revenue receipts of the second preceding year as in the books of the Accountant General of Sikkim. |

Prohibition.

4. Notwithstanding any thing contained in any other law, no Government guarantee shall be given in respect of a loan of any private individual, institution or company.

***Guarantee
Commission.***

5. (1) The Government shall charge a minimum of one percent as guarantee commission which shall not be waived under any circumstances.
- (2) The Government may, by notification in the Official Gazette, specify commission at an enhanced rate depending on the default risk of the project.

By Order of the Governor.

T. D. RINZING,
Secretary to the Govt. of Sikkim,
Law Department.
F.No. 16(82)LD/2000.